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SENSITIVE

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SUBJECT: MOZAMBIQUE: WHO IS INCOMING PRESIDENT GUEBUZA?

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¶11. (U) The following is a brief sketch of incoming Mozambican president Armando Guebuza, who will be inaugurated on February 2 to succeed President Joaquim Chissano. This analysis was drawn by our political LES. We offer it as a preliminary glance at Guebuza, only part of a composite picture we will develop of him and his presidency in coming months.

¶12. (SBU) In his first interview with a news organization after he was announced the winner of the 2004 elections, president-elect Guebuza said something that captures the one characteristic for which Armando Guebuza is perhaps best known: the drive to change things. Guebuza said in the interview that he was not pleased with the composition and the structure of FRELIMO decision-making bodies at the national and local levels, implying that these bodies had not been up to the ambitious task of revitalizing FRELIMO party cells at all levels in preparation for the 2004 general elections.

REVITALIZING FRELIMO

¶13. (SBU) When Guebuza took over as secretary-general of FRELIMO in early 2002, he immediately learned what many outside the party knew already -- that FRELIMO had lost touch with its electorate and had become increasingly unpopular. He quickly did what he could to reverse this trend: crisscrossing the country, talking to communities, revitalizing party cells, and increasing party membership. More importantly, he made a point of stressing for the electorate a new image of FRELIMO, a FRELIMO with leaders intent on solving the problems of the people rather than a FRELIMO with a leadership of old Marxists-turned-capitalists with illicit wealth who rarely, if ever, visited the provinces. And, of course, as Chissano's designated heir in FRELIMO for the presidency, the trips served as early campaign swings. But their chief aim, it appears, was to boost FRELIMO's credibility, and in this they appear to have been somewhat successful. It helped to advance the image that FRELIMO was about changing the lives of the people for the better that his visits often coincided with the inauguration of various social and economic infrastructure projects (sometimes funded by foreign donors).

¶14. (SBU) But Guebuza was introducing these changes to FRELIMO in a limited way, hobbled by the fact that Chissano was president of the state and president of FRELIMO. Now that he is about to succeed Chissano as president of the country, he will have much more freedom to revamp FRELIMO in ways he wants. One sticking point, though, is that Chissano still remains FRELIMO president. A change of FRELIMO leadership will require a party congress, and the next congress is not scheduled until very late in 2005 or early 2006. Guebuza can be expected to leave a greater imprint on FRELIMO before then, but he will have to compromise with the Chissano camp to do so.

MOZAMBIQUE FOR THE MOZAMBICANS

¶15. (SBU) Guebuza and his group within FRELIMO are believed to share the view that Mozambique has been independent for almost three decades now but a good part of its citizens have not enjoyed fully the fruits of this independence, particularly on the economic front. They are said to be of the opinion that many factors may have contributed to this, but above all that the political and social climate have not been conducive to the development of a strong, prosperous, competitive and genuinely Mozambican business class.

¶16. (SBU) In the FRELIMO electoral manifesto (seen as Guebuza brainchild) the party vows to continue with the system of a market economy, which is described as one of the catalysts needed to speed up sustainable economic development of the country. But the chapter on economy begins with the affirmation that the eradication of absolute poverty calls for the ownership by Mozambicans of the tools and the processes of economic development. It may not be by mere coincidence that this statement is

placed at the top of the chapter on economy. Guebuza is a well-known champion of what is already being called the Mozambicanization of the economy.

AND SMALL IS BEAUTIFUL

¶7. (SBU) The manifesto, which may soon be turned into a five-year government program and submitted to the new National Assembly for approval, goes on to enumerate a series of initiatives that a Guebuza government will put in place to make Mozambique more competitive and attractive to private local and foreign investment: creation of incentives for the development of the various sectors of activity, the creation of small and medium-sized companies, the creation of more flexible and less onerous financial mechanisms, the readjustment of customs tariffs with a view to stimulating the development and consumption of local products, etc.

¶8. (SBU) These initiatives seem to reflect Guebuza views expressed in interviews and public statements, particularly the initiative concerning the creation of small and medium-sized companies. Guebuza seems to believe that such mega- projects as Mozal (Mozambique's aluminium smelter) and Moma Heavy Sands (a mining project), are important for the national economy, but they do not necessarily address his view of the need to create and promote a Mozambican business class and thus create a sense of ownership of the tools and processes of economic development by Mozambicans. It is important to note here that in the enumeration of these initiatives in the electoral manifesto, the creation of small and medium-sized companies comes as the second item in a list of eight initiatives. The new number one man in Mozambique also states in his campaign message that his government will encourage those small and medium-sized that employ Mozambican labor in an intensive way.

BUT WILL HE FRIGHTEN OFF FOREIGN INVESTMENT?

¶9. (SBU) It is widely believed that one of the concerns that FRELIMO had with the choice of a nationalist like Guebuza to replace Chissano was that such a move would scare away important foreign investors and donors. Guebuza and his supporters in FRELIMO were quick to counter this perception with visits to key European capitals and by making the most of his invitation to the 2004 Democratic Convention in the U.S. to reach out to foreign government officials.

¶10. (SBU) Some wonder how Guebuza will be able to implement his vision of Mozambicanization of the economy, when the measures for the implementation of such a vision do not necessarily go hand in hand with the aims of bilateral and multilateral donors. Guebuza has made it clear that Mozambique will continue to honor its international commitments, and in this he has always mentioned the IMF and the World Bank. But what if he pushes for government intervention over market economics? For instance, Guebuza might favor the recruitment of Mozambican labor at the expense, at times, of hiring more competitive expatriates. One thing seems fairly certain: the Guebuza government will seek to considerably increase ties with countries like China, India and Brazil, as a way of finding cooperation partners for its Mozambicanization of economy policy.

MOZAMBIQUE THE PEACEMAKER

¶11. (SBU) The FRELIMO manifesto further asserts that Mozambique enjoys international prestige thanks to the way in which the FRELIMO government has been managing international affairs, in particular the participation of Mozambique in peace-keeping efforts in Africa. In his first post-electoral interview, referred to above, Guebuza stresses the importance of Mozambique continuing to participate in the promotion and preservation of peace in Africa, because only through peace can stability be established.

DIFFERENT THAN CHISSANO

¶12. (SBU) Both his sympathizers and his adversaries seem to agree on one thing: Mr. Guebuza is a tough, heavy-handed man who likes to have his way. In his new role as president of Mozambique, he may not be the feared man who in the early 1980's forced many to migrate to new settlements in the north or who gave Portuguese residents 24 hours to leave in the late 1970's (several years after independence). However, they think he will be distinctly different from Chissano in a number of aspects.

MORE DISCIPLINE

113. (SBU) To begin with, Guebuza is perceived as striving to put together an obedient and disciplined cabinet (he was the national political commissar in the army), with a clear and well-defined chain of command that can guarantee the implementation of his government program. The outgoing government was known for its lack of coordination, both in the conception and implementation of its policies. Cases abound of individual ministers saying one thing but government policy being completely different -- the best example being the mishandling of the cases of former Mozambican workers in defunct East Germany.

LESS RED TAPE

114. (SBU) One common line in Guebuza public statements is "a necessidade de combater o espmrito de deixa andar" (the need to fight negligence). It is widely expected that the apparent climate of negligence that characterizes most government institutions will be a target of the Guebuza government. Guebuza has given indications that he believes one of the factors that affected negatively the image of FRELIMO was the inefficient functioning of the public sector, where obtaining a mere license for a barber's shop was a complicated process. Analysts predict, therefore, that Guebuza will most likely give a new impetus to the reform of the public sector, particularly on the implementation side.

FIGHTING CORRUPTION

115. (SBU) Another important area where many expect Guebuza's toughness is in fighting corruption. He is expected to set out strict guidelines on corruption for his ministers in terms of do's and don'ts governing public funds and property. Already there are many who say that it is a good thing to have a president who is already rich (no matter how he got rich) because he will not need to deplete the public coffers.

BETTER SECURITY

116. (SBU) Observers also think Guebuza will be markedly different from Chissano in terms of his relationship with the Ministry of Interior. Here he is likely to undertake a series of reforms with a view toward enabling the police force to adequately maintain law, fight crime and reduce the now growing number of crimes involving members of the police force at different levels.

117. (SBU) Analysts also believe that Guebuza's wide vision of the need for Mozambicans to recover their pride includes the improvement and strengthening of the armed forces. In the electoral manifesto, it is stated that the FRELIMO government will continue to strengthen the armed forces, through training and allocation of material and logistical resources in order to enable them to carry out the different missions that they are assigned. Guebuza was the main government peace negotiator in Rome in 1992. He is believed to have strongly opposed the policy of reducing the size of Mozambique's new army created out of the merging of government and rebel forces, as called for by the Rome peace agreement signed with RENAMO.

NEW FACES IN GOVERNMENT

118. (SBU) In order to ensure that his policies and programs will be implemented, many believe Guebuza will form a cabinet comprised of people that he trusts. He may choose, then, to rid himself entirely or nearly entirely of all in the current Chissano cabinet.

119. (SBU) On the political front, Guebuza is seen as having no option but to reward people in the central and northern provinces who voted for him (despite the low turnout), not only to smooth the functioning of his current term but also to secure a second mandate. Therefore, a good part of the social and economic components of his government program will focus on this region of the country. And this most probably will mean, also, an increase of northerners in his government.

ROOM FOR ALL?

120. (SBU) There are some who read Guebuza vision of Mozambicanization of the economy as a veiled manifestation of his perceived anti-Portuguese stance, which by extension also could include Mozambicans of any European or Asian origin. Some degree of disquiet is already being reported within these communities. But the veteran Mozambican

politician-turned-businessman has over the years, during the process of the creation and consolidation of his personal business empire, developed sound relations with Mozambicans and foreigners of all colors and creeds.

LALIME